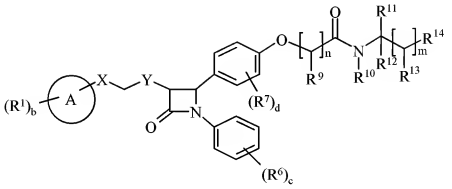
In the Claims:

The current status of all claims is listed below and supersedes all previous lists of claims.

Please add new claims 45-47 as follows:

1. (previously presented) A compound of formula **(I)**:



(I)

wherein:

Ring A is selected from phenyl or thienyl;

X is selected from $-CR^2R^3-$, -O-, $-NR^x-$ and $-S(O)_a-$; wherein R^x is hydrogen or C_{1-6}alkyl, and a is 0-2;

Y is selected from $-CR^4R^5-$, -O-, $-NR^z-$ and $-S(O)_a-$; wherein R^z is hydrogen or C_{1-6}alkyl, and a is 0-2; wherein there is at least one $-CR^2R^3-$ or $-CR^4R^5-$ group;

R^1 is independently selected from halo, hydroxy, C_{1-6}alkyl, C_{1-6}alkoxy and C_{1-6}alkylS(O)$_a$ wherein a is 0 to 2; wherein R^1 is independently optionally substituted on carbon by one or more halo, C_{1-6}alkoxy and hydroxy;

b is 0-3; wherein the values of R^1 may be the same or different;

R^2 and **R^3** are independently selected from hydrogen, hydroxy, C_{1-6}alkyl, C_{1-6}alkoxy and C_{1-6}alkanoyloxy; wherein R^2 and R^3 may be independently optionally substituted on carbon by one or more halo or hydroxy; or R^2 and R^3 together form an oxo group;

R^4 and **R^5** are independently selected from hydrogen, hydroxy, C_{1-6}alkyl, C_{1-6}alkoxy and C_{1-6}alkanoyloxy; or R^4 and R^5 together form an oxo group;

R^6 is independently selected from halo, nitro, cyano, hydroxy, amino, carboxy, formyl, carbamoyl, carbamoyloxy, mercapto, sulphamoyl, C_{1-6}alkyl, C_{2-6}alkenyl, C_{2-6}alkenyloxy, C_{2-6}alkynyl, C_{1-6}alkoxy, C_{1-6}alkanoyl, C_{1-6}alkanoyloxy, *N*-(C_{1-6}alkyl)amino, *N,N*-(C_{1-6}alkyl)$_2$amino, C_{1-6}alkanoylamino, C_{1-6}alkanoyl-*N*-(C_{1-6}alkyl)amino, C_{1-6}alkylsulphonylamino, C_{1-6}alkylsulphonyl-*N*-(C_{1-6}alkyl)amino, *N*-(C_{1-6}alkyl)carbamoyl, *N,N*-(C_{1-6}alkyl)$_2$carbamoyl, *N*-(C_{1-6}alkyl)carbamoyloxy, *N,N*-(C_{1-6}alkyl)$_2$carbamoyloxy, C_{1-6}alkylS(O)$_a$ wherein a is 0 to 2, C_{1-6}alkoxycarbonyl, C_{1-6}alkoxycarbonylamino, C_{1-6}alkoxycarbonyl-*N*-(C_{1-6}alkyl)amino, C_{1-6}alkoxycarbonyloxy, C_{1-6}alkoxycarbonylamino, ureido, *N'*-(C_{1-6}alkyl)ureido, *N*-(C_{1-6}alkyl)ureido, *N',N'*-(C_{1-6}alkyl)$_2$ureido, *N'*-(C_{1-6}alkyl)-*N*-(C_{1-6}alkyl)ureido, *N',N'*-(C_{1-6}alkyl)$_2$-*N*-(C_{1-6}alkyl)ureido, *N*-(C_{1-6}alkyl)sulphamoyl, *N,N*-(C_{1-6}alkyl)$_2$sulphamoyl and phenyl; wherein R^7 is independently optionally substituted on carbon by one or more halo, C_{1-6}alkoxy, hydroxy, amino, carboxy, C_{1-6}alkoxycarbonyl, carbamoyl, *N*-(C_{1-6}alkyl)carbamoyl, *N,N*-(C_{1-6}alkyl)$_2$carbamoyl, C_{1-6}alkanoylamino, C_{1-6}alkanoyl-*N*-(C_{1-6}alkyl)amino, phenyl, phenoxy, benzoyl, phenylC_{1-6}alkyl and phenylC_{1-6}alkoxy;

c is 0-5; wherein the values of R^6 may be the same or different;

R^7 is independently selected from halo, hydroxy, cyano, carbamoyl, ureido, amino, nitro, carboxy, carbamoyl, mercapto, sulphamoyl, trifluoromethyl, trifluoromethoxy, methyl, ethyl, methoxy, ethoxy, vinyl, allyl, ethynyl, methoxycarbonyl, formyl, acetyl, formamido, acetylamino, acetoxy, methylamino, dimethylamino, *N*-methylcarbamoyl, *N,N*-dimethylcarbamoyl, methylthio, methylsulphinyl, mesyl, *N*-methylsulphamoyl and *N,N*-dimethylsulphamoyl;

d is 0-4; wherein the values of R^7 may be the same or different;

R^9 is hydrogen, C_{1-4}alkyl, carbocyclyl or heterocyclyl; wherein R^9 may be optionally substituted on carbon by one or more substituents selected from R^{23}; and wherein if said heterocyclyl contains an -NH- group, that nitrogen may be optionally substituted by a group selected from R^{24};

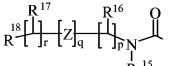
R^{10} is hydrogen or C_{1-4}alkyl;

R^{11} and R^{12} are independently selected from hydrogen, C_{1-4}alkyl, carbocyclyl or heterocyclyl; or

R^{11} and R^{12} together form C_{2-6}alkylene; wherein R^{11} and R^{12} or R^{11} and R^{12} together may be independently optionally substituted on carbon by one or more substituents selected from R^{25}; and wherein if said heterocyclyl contains an -NH- moiety, that nitrogen may be optionally substituted by one or more R^{26};

R^{13} is hydrogen, C_{1-4}alkyl, carbocyclyl or heterocyclyl; wherein R^{13} may be optionally substituted on carbon by one or more substituents selected from R^{27}; and wherein if said heterocyclyl contains an -NH- moiety, that nitrogen may be optionally substituted by one or more R^{28};

R^{14} is hydrogen, halo, nitro, cyano, hydroxy, amino, carbamoyl, mercapto, sulphamoyl, hydroxyaminocarbonyl, C_{1-10}alkyl, C_{2-10}alkenyl, C_{2-10}alkynyl, C_{1-10}alkoxy, C_{1-10}alkoxycarbonyl, C_{1-10}alkanoyl, C_{1-10}alkanoyloxy, *N*-(C_{1-10}alkyl)amino, *N,N*-(C_{1-10}alkyl)$_2$amino, C_{1-10}alkanoylamino, *N*-(C_{1-10}alkyl)carbamoyl, *N,N*-(C_{1-10}alkyl)$_2$carbamoyl, C_{1-10}alkylS(O)$_a$ wherein a is 0 to 2, *N*-(C_{1-10}alkyl)sulphamoyl, *N,N*-(C_{1-10}alkyl)$_2$sulphamoyl, *N*-(C_{1-10}alkyl)sulphamoylamino, *N,N*-(C_{1-10}alkyl)$_2$sulphamoylamino, C_{1-10}alkoxycarbonylamino, carbocyclyl, carbocyclylC_{1-10}alkyl, heterocyclyl, heterocyclylC_{1-10}alkyl, carbocyclyl-(C_{1-10}alkylene)$_e$-R^{29}-(C_{1-10}alkylene)$_f$-, heterocyclyl-(C_{1-10}alkylene)$_g$-R^{30}-(C_{1-10}alkylene)$_h$-, carboxy, sulpho, sulphino, phosphono, -P(O)(OR^{31})(OR^{32}), -P(O)(OH)(OR^{31}), -P(O)(OH)(R^{31}) or -P(O)(OR^{31})(R^{32}) wherein R^{31} and R^{32} are independently selected from C_{1-6}alkyl; wherein R^{14} may be optionally substituted on carbon by one or more substituents selected from R^{33}; and wherein if said heterocyclyl contains an -NH- group, that nitrogen may be optionally substituted by a group selected from R^{34}; or R^{14} is a group of formula **(IA)**:



(IA)

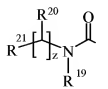
wherein:

Z is –N(R^{35})-, -N(R^{35})C(O)-, -O-, and -S(O)$_a$-; wherein a is 0-2 and R^{35} is hydrogen or C_{1-4}alkyl;

R^{15} is hydrogen or C_{1-4}alkyl;

R^{16} and R^{17} are independently selected from hydrogen, halo, nitro, cyano, hydroxy, amino, carboxy, carbamoyl, mercapto, sulphamoyl, C_{1-6}alkyl, C_{2-6}alkenyl, C_{2-6}alkynyl, C_{1-6}alkoxy, C_{1-6}alkanoyl, C_{1-6}alkanoyloxy, *N*-(C_{1-6}alkyl)amino, *N,N*-(C_{1-6}alkyl)$_2$amino, C_{1-6}alkanoylamino, *N*-(C_{1-6}alkyl)carbamoyl, *N,N*-(C_{1-6}alkyl)$_2$carbamoyl, C_{1-6}alkylS(O)$_a$ wherein a is 0 to 2, C_{1-6}alkoxycarbonyl, *N*-(C_{1-6}alkyl)sulphamoyl, *N,N*-(C_{1-6}alkyl)$_2$sulphamoyl, carbocyclyl, heterocyclyl, sulpho, sulphino, amidino, phosphono, -P(O)(OR^{36})(OR^{37}), -P(O)(OH)(OR^{36}), -P(O)(OH)(R^{36}) or -P(O)(OR^{36})(R^{37}), wherein R^{36} and R^{37} are independently selected from C_{1-6}alkyl; wherein R^{16} and R^{17} may be independently optionally substituted on carbon by one or more substituents selected from R^{38}; and wherein if said heterocyclyl contains an -NH- group, that nitrogen may be optionally substituted by a group selected from R^{39};

R^{18} is selected from hydrogen, halo, nitro, cyano, hydroxy, amino, carbamoyl, mercapto, sulphamoyl, hydroxyaminocarbonyl, C_{1-10}alkyl, C_{2-10}alkenyl, C_{2-10}alkynyl, C_{1-10}alkoxy, C_{1-10}alkanoyl, C_{1-10}alkanoyloxy, *N*-(C_{1-10}alkyl)amino, *N,N*-(C_{1-10}alkyl)$_2$amino, C_{1-10}alkanoylamino, *N*-(C_{1-10}alkyl)carbamoyl, C_{1-10}alkoxycarbonyl, *N,N*-(C_{1-10}alkyl)$_2$carbamoyl, C_{1-10}alkylS(O)$_a$ wherein a is 0 to 2, *N*-(C_{1-10}alkyl)sulphamoyl, *N,N*-(C_{1-10}alkyl)$_2$sulphamoyl, *N*-(C_{1-10}alkyl)sulphamoylamino, *N,N*-(C_{1-10}alkyl)$_2$sulphamoylamino, carbocyclyl, carbocyclylC_{1-10}alkyl, heterocyclyl, heterocyclylC_{1-10}alkyl, carbocyclyl-(C_{1-10}alkylene)$_e$-R^{40}-(C_{1-10}alkylene)$_f$- or heterocyclyl-(C_{1-10}alkylene)$_g$-R^{41}-(C_{1-10}alkylene)$_h$-, carboxy, sulpho, sulphino, phosphono, -P(O)(OR^{42})(OR^{43}), -P(O)(OH)(OR^{42}), -P(O)(OH)(R^{42}) or -P(O)(OR^{42})(R^{43}) wherein R^{42} and R^{43} are independently selected from C_{1-6}alkyl; wherein R^{18} may be optionally substituted on carbon by one or more substituents selected from R^{44}; and wherein if said heterocyclyl contains an -NH- group, that nitrogen may be optionally substituted by a group selected from R^{45}; or R^{18} is a group of formula **(IB)**:



(IB)

wherein:

R^{19} is selected from hydrogen or C_{1-4}alkyl;

R^{20} is selected from hydrogen, halo, nitro, cyano, hydroxy, amino, carboxy, carbamoyl, mercapto, sulphamoyl, C_{1-6}alkyl, C_{2-6}alkenyl, C_{2-6}alkynyl, C_{1-6}alkoxy, C_{1-6}alkanoyl, C_{1-6}alkanoyloxy, *N*-(C_{1-6}alkyl)amino, *N,N*-(C_{1-6}alkyl)$_2$amino, C_{1-6}alkanoylamino, *N*-(C_{1-6}alkyl)carbamoyl, *N,N*-(C_{1-6}alkyl)$_2$carbamoyl, C_{1-6}alkylS(O)$_a$ wherein a is 0 to 2, C_{1-6}alkoxycarbonyl, *N*-(C_{1-6}alkyl)sulphamoyl, *N,N*-(C_{1-6}alkyl)$_2$sulphamoyl, carbocyclyl, heterocyclyl, sulpho, sulphino, amidino, phosphono, -P(O)(OR^{46})(OR^{47}), -P(O)(OH)(OR^{46}), -P(O)(OH)(R^{46}) or -P(O)(OR^{46})(R^{47}), wherein R^{46} and R^{47} are independently selected from C_{1-6}alkyl; where R^{20} may be independently optionally substituted on carbon by one or more substituents selected from R^{48}; and wherein if said heterocyclyl contains an -NH- group, that nitrogen may be optionally substituted by a group selected from R^{49};

R^{21} is selected from halo, nitro, cyano, hydroxy, amino, carbamoyl, mercapto, sulphamoyl, hydroxyaminocarbonyl, C_{1-10}alkyl, C_{2-10}alkenyl, C_{2-10}alkynyl, C_{1-10}alkoxy, C_{1-10}alkoxycarbonyl, C_{1-10}alkanoyl, C_{1-10}alkanoyloxy, *N*-(C_{1-10}alkyl)amino, *N,N*-(C_{1-10}alkyl)$_2$amino, C_{1-10}alkanoylamino, *N*-(C_{1-10}alkyl)carbamoyl, *N,N*-(C_{1-10}alkyl)$_2$carbamoyl, C_{1-10}alkylS(O)$_a$ wherein a is 0 to 2, *N*-(C_{1-10}alkyl)sulphamoyl, *N,N*-(C_{1-10}alkyl)$_2$sulphamoyl, *N*-(C_{1-10}alkyl)sulphamoylamino, *N,N*-(C_{1-10}alkyl)$_2$sulphamoylamino, C_{1-10}alkoxycarbonylamino, carbocyclyl, carbocyclylC_{1-10}alkyl, heterocyclyl, heterocyclylC_{1-10}alkyl, carbocyclyl-(C_{1-10}alkylene)$_s$-R^{50}-(C_{1-10}alkylene)$_t$-, heterocyclyl-(C_{1-10}alkylene)$_g$-R^{51}-(C_{1-10}alkylene)$_h$-, carboxy, sulpho, sulphino, phosphono, -P(O)(OR^{52})(OR^{53}), -P(O)(OH)(OR^{52}), -P(O)(OH)(R^{52}) or -P(O)(OR^{53})(R^{53}) wherein R^{52} and R^{53} are independently selected from C_{1-6}alkyl; wherein R^{21} may be independently optionally substituted on carbon by one or more R^{54}; and wherein if said heterocyclyl contains an -NH- group, that nitrogen may be optionally substituted by a group selected from R^{55};

p is 1-3; wherein the values of R^{16} may be the same or different;

q is 0-1;

r is 0-3; wherein the values of R^{17} may be the same or different;

m is 0-2; wherein the values of R^{13} may be the same or different;

n is 1-2; wherein the values of R^{9} may be the same or different;

z is 0-3; wherein the values of R^{20} may be the same or different;

R^{23}, **R^{25}**, **R^{27}**, **R^{33}**, **R^{38}**, **R^{44}**, **R^{48}** and **R^{54}** are independently selected from halo, nitro, cyano, hydroxy, amino, carbamoyl, mercapto, sulphamoyl, hydroxyaminocarbonyl, C_{1-10}alkyl, C_{2-10}alkenyl, C_{2-10}alkynyl, C_{1-10}alkoxy, C_{1-10}alkanoyl, C_{1-10}alkanoyloxy, C_{1-10}alkoxycarbonyl, *N*-(C_{1-10}alkyl)amino, *N,N*-(C_{1-10}alkyl)$_2$amino, C_{1-10}alkanoylamino, *N*-(C_{1-10}alkyl)carbamoyl, *N,N*-(C_{1-10}alkyl)$_2$carbamoyl, C_{1-10}alkylS(O)$_a$ wherein a is 0 to 2, *N*-(C_{1-10}alkyl)sulphamoyl, *N,N*-(C_{1-10}alkyl)$_2$sulphamoyl, *N*-(C_{1-10}alkyl)sulphamoylamino, *N,N*-(C_{1-10}alkyl)$_2$sulphamoylamino, C_{1-10}alkoxycarbonylamino, carbocyclyl, carbocyclylC_{1-10}alkyl, heterocyclyl, heterocyclylC_{1-10}alkyl, carbocyclyl-(C_{1-10}alkylene)$_e$-R^{56}-(C_{1-10}alkylene)$_f$-, heterocyclyl-(C_{1-10}alkylene)$_g$-R^{57}-(C_{1-10}alkylene)$_h$-, carboxy, sulpho, sulphino, amidino, phosphono, -P(O)(OR^{58})(OR^{59}), -P(O)(OH)(OR^{58}), -P(O)(OH)(R^{58}) or -P(O)(OR^{59})(R^{59}), wherein R^{58} and R^{59} are independently selected from C_{1-6}alkyl; wherein R^{23}, R^{25}, R^{27}, R^{33}, R^{38}, R^{44}, R^{48} and R^{54} may be independently optionally substituted on carbon by one or more R^{60}; and wherein if said heterocyclyl contains an -NH- group, that nitrogen may be optionally substituted by a group selected from R^{61};

R^{24}, **R^{26}**, **R^{28}**, **R^{34}**, **R^{39}**, **R^{45}**, **R^{49}**, **R^{55}** and **R^{61}** are independently selected from C_{1-6}alkyl, C_{1-6}alkanoyl, C_{1-6}alkylsulphonyl, sulphamoyl, *N*-(C_{1-6}alkyl)sulphamoyl, *N,N*-(C_{1-6}alkyl)$_2$sulphamoyl, C_{1-6}alkoxycarbonyl, carbamoyl, *N*-(C_{1-6}alkyl)carbamoyl, *N,N*-(C_{1-6}alkyl)$_2$carbamoyl, benzyl, phenethyl, benzoyl, phenylsulphonyl and phenyl;

R^{29}, **R^{30}**, **R^{40}**, **R^{41}**, **R^{50}**, **R^{51}**, **R^{56}** and **R^{57}**are independently selected from -O-, -NR^{62}-, -S(O)$_x$-, -NR^{62}C(O)NR^{63}-, -NR^{62}C(S)NR^{63}-, -OC(O)N=C-, -NR^{62}C(O)- or -C(O)NR^{62}-; wherein R^{62} and R^{63} are independently selected from hydrogen or C_{1-6}alkyl, and x is 0-2;

R^{60} is selected from halo, hydroxy, cyano, carbamoyl, ureido, amino, nitro, carboxy, carbamoyl, mercapto, sulphamoyl, trifluoromethyl, trifluoromethoxy, methyl, ethyl, methoxy, ethoxy, vinyl, allyl, ethynyl, methoxycarbonyl, formyl, acetyl, formamido, acetylamino, acetoxy, methylamino, dimethylamino, *N*-methylcarbamoyl, *N,N*-dimethylcarbamoyl, methylthio, methylsulphinyl,

mesyl, *N*-methylsulphamoyl and *N,N*-dimethylsulphamoyl; and
e, **f**, **g** and **h** are independently selected from 0-2;
or a pharmaceutically acceptable salt, or a prodrug thereof.

2. (previously presented) A compound of formula **(I)** according to claim 1 wherein X is selected from $-CH_2-$, -CH(OH)-, -C(O)-, -O- -S-, -S(O)-and $-S(O)_2-$; or a pharmaceutically acceptable salt, or a prodrug thereof.

3. (previously presented) A compound of formula **(I)** according to claim 1 wherein Y is $-CH_2-$, -S- or -S(O)-; or a pharmaceutically acceptable salt, or a prodrug thereof.

4. (previously presented) A compound of formula **(I)** according to any one of claims 1 to 3 wherein R^1 is halo; or a pharmaceutically acceptable salt, or a prodrug thereof.

5. (previously presented) A compound of formula **(I)** according to any one of claims 1 to 3 wherein b is 0-1; or a pharmaceutically acceptable salt, or a prodrug thereof.

6. (previously presented) A compound of formula **(I)** according to any one of claims 1 to 3 wherein R^6 is halo; or a pharmaceutically acceptable salt, or a prodrug thereof.

7. (previously presented) A compound of formula **(I)** according to any one of claims 1 to 3 wherein c is 0-1; or a pharmaceutically acceptable salt, or a prodrug thereof.

8. (previously presented) A compound of formula **(I)** according to any one of claims 1 to 3 wherein d is 0; or a pharmaceutically acceptable salt, or a prodrug thereof.

9. (previously presented) A compound of formula **(I)** according to any one of claims 1 to 3 wherein R^9 is hydrogen; or a pharmaceutically acceptable salt, or a prodrug thereof.

10. (previously presented) A compound of formula **(I)** according to any one of claims 1 to 3 wherein R^{10} is hydrogen; or a pharmaceutically acceptable salt, or a prodrug thereof.

11. (previously presented) A compound of formula **(I)** according to any one of claims 1 to 3 wherein R^{11} and R^{12} are independently selected from hydrogen, C_{1-4}alkyl or carbocyclyl; wherein R^{11} and R^{12} may be independently optionally substituted on carbon by one or more substituents selected from R^{25}; wherein R^{25} is selected from hydroxy, amino, carbamoyl, C_{1-10}alkoxycarbonyl, C_{1-10}alkoxycarbonylamino, carbocyclyl or carboxy; wherein R^{25} may be optionally substituted on carbon by one or more R^{60}; wherein R^{60} is hydroxy; or a pharmaceutically acceptable salt, or a prodrug thereof.

12. (previously presented) A compound of formula **(I)** according to any one of claims 1 to 3 wherein R^{13} is hydrogen; or a pharmaceutically acceptable salt, or a prodrug thereof.

13. (previously presented) A compound of formula **(I)** according to any one of claims 1 to 3 wherein R^{14} is hydroxy, C_{1-10}alkyl, C_{1-10}alkoxy, C_{1-10}alkoxycarbonyl, carboxy or sulpho; wherein R^{14} may be optionally substituted on carbon by one or more substituents selected from R^{33}; or R^{14} is a group of formula **(IA)** (as depicted above in claim 1) wherein:

R^{15} is hydrogen;

R^{16} and R^{17} are independently selected from hydrogen, carboxy, C_{1-6}alkyl and C_{1-6}alkoxycarbonyl;

R^{18} is selected from hydroxy, C_{1-10}alkyl, C_{1-10}alkoxy, C_{1-10}alkoxycarbonyl, carboxy and sulpho;

p is 1;

q is 0;

r is 0 or 1;

m is 0 or 1;

n is 1; and

R^{33} is hydroxy;

or a pharmaceutically acceptable salt, or a prodrug thereof.

14. (previously presented) A compound of formula **(I)** according to any one of claims 1 to 3 wherein m is 0 or 1; or a pharmaceutically acceptable salt, or a prodrug thereof.

15. (previously presented) A compound of formula **(I)** according to any one of claims 1 to 3 wherein n is 1; or a pharmaceutically acceptable salt, or a prodrug thereof.

16. (previously presented) A compound of formula **(I)** (as depicted in claim 1) wherein:

Ring A is selected from phenyl or thienyl;

X is selected from $-CH_2-$, -CH(OH)-, -C(O)-, -O- -S-, -S(O)-and $-S(O)_2-$;

Y is $-CH_2-$, -S- or -S(O)-;

R^1 is fluoro;

b is 0-1;

R^6 is fluoro;

c is 0-1;

d is 0;

R^9 is hydrogen;

R^{10} is hydrogen;

One of R^{11} and R^{12} is hydrogen and the other is selected from hydrogen, methyl, hydroxymethyl, 2-carbamoylethyl, 2-(ethoxycarbonyl)ethyl, 2-carboxyethyl, 4-(*t*-butoxycarbonylamino)butyl, 4-aminobutyl, isobutyl, phenyl, 4-hydroxyphenyl and 4-hydroxybenzyl;

R^{13} is hydrogen;

R^{14} is hydroxy, pentyl, methoxy, ethoxycarbonyl, *t*-butoxycarbonyl, carboxy or sulpho; wherein R^{14} may be optionally substituted on carbon by one or more substituents selected from R^{33}; or

R^{14} is a group of formula **(IA)** (as depicted above) wherein:

R^{15} is hydrogen;

R^{16} and R^{17} are independently selected from hydrogen, carboxy, C_{1-6}alkyl and *t*-butoxycarbonyl;

R^{18} is selected from hydroxy, methyl, *t*-butoxy, ethoxycarbonyl, *t*-butoxycarbonyl, carboxy and sulpho;

p is 1;

q is 0;

r is 0 or 1;

m is 0 or 1;

n is 1; and

R^{33} is hydroxy;

or a pharmaceutically acceptable salt, or a prodrug thereof.

17. (previously presented) A compound of formula **(I)** (as depicted in claim 1) selected from:

1-(4-fluorophenyl)-3-[3-(4-fluorophenyl)-3-hydroxypropyl]-4-{4-[*N*-((R)-α-{*N*-(S)-[1-(carboxy)-2-(hydroxy)ethyl]carbamoyl}benzyl)carbamoylmethoxy]phenyl}azetidin-2-one;

1-(4-fluorophenyl)-3-[3-(4-fluorophenyl)-3-hydroxypropyl]-4-(4-{*N*-[(R)-α-(carboxy)benzyl]carbamoylmethoxy}phenyl)azetidin-2-one;

1-(4-fluorophenyl)-3-[3-(4-fluorophenyl)-3-hydroxypropyl]-4-{4-[*N*-(carboxymethyl)carbamoylmethoxy]phenyl}azetidin-2-one;

1-(4-fluorophenyl)-3-[3-(4-fluorophenyl)-3-hydroxypropyl]-4-(4-{*N*-[*N*-(carboxymethyl)carbamoylmethyl]carbamoylmethoxy}phenyl)azetidin-2-one;

1-(4-fluorophenyl)-3-[3-(4-fluorophenyl)-3-hydroxypropyl]-4-{4-[*N*-(2-hydroxyethyl)carbamoylmethoxy]phenyl}azetidin-2-one;

1-(4-fluorophenyl)-3-[3-(4-fluorophenyl)-3-hydroxypropyl]-4-{4-[*N*-(2-methoxyethyl)carbamoylmethoxy]phenyl}azetidin-2-one;

3-(R)-4-(R)-1-(phenyl)-3-(4-fluorobenzoylmethylsulphanyl)-4-{4-[*N*-(carboxymethyl)carbamoylmethoxy]phenyl}azetidin-2-one;

3-(R)-4-(R)-1-(phenyl)-3-[2-(4-fluorophenyl)-2-hydroxyethylsulphanyl]-4-{4-[*N*-(carboxymethyl)carbamoylmethoxy]phenyl}azetidin-2-one;

3-(R)-4-(R)-1-(phenyl)-3-[2-(thien-3-yl)-2-hydroxyethylsulphanyl]-4-{4-[*N*-(carboxymethyl)

carbamoylmethoxy]phenyl}azetidin-2-one;

3-(R)-4-(R)-1-(phenyl)-3-[2-(thien-3-yl)-2-hydroxyethylsulphanyl]-4-{4-[*N*-((R)-α-{*N*-[(S)-1-(carboxy)-2-(hydroxy)ethyl]carbamoyl}benzyl)carbamoylmethoxy]phenyl}azetidin-2-one;

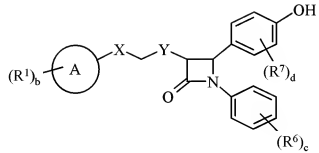
3-(R)-4-(R)-1-(phenyl)-3-(4-fluorobenzoylmethylsulphanyl)-4-(4-[*N*-((R)-α-{*N*-[(S)-1-(carboxy)-2-(hydroxy)ethyl]carbamoyl}benzyl)carbamoylmethoxy]phenyl}azetidin-2-one; and

3-(R)-4-(R)-1-(phenyl)-3-[2-(4-fluorophenyl)-2-hydroxyethylsulphanyl]-4-{4-[*N*-((R)-α-{*N*-[(S)-1-(carboxy)-2-(hydroxy)ethyl]carbamoyl}benzyl)carbamoylmethoxy]phenyl}azetidin-2-one;

or a pharmaceutically acceptable salt, or a prodrug thereof.

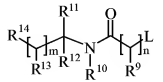
18. (previously presented) A process for preparing a compound of formula **(I)** or a pharmaceutically acceptable salt, or a prodrug thereof which process (wherein variable groups are, unless otherwise specified, as defined in claim 1) comprises of:

Process 1) reacting a compound of formula **(II)**:



(II)

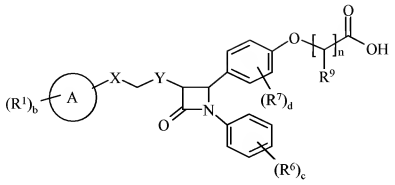
with a compound of formula **(III)**:



(III)

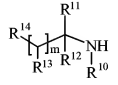
wherein L is a displaceable group;

Process 2) reacting an acid of formula **(IV)**:



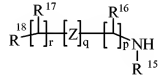
(IV)

or an activated derivative thereof; with an amine of formula **(V)**:



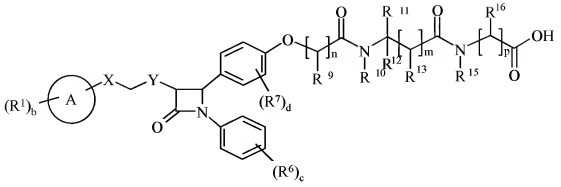
(V)

Process 3): for compounds of formula **(I)** wherein R^{14} is a group of formula **(IA)**; reacting a compound of formula **(VI)** wherein R^{14} is carboxy, or an activated derivative thereof, with an amine of formula **(VI)**:



(VI)

Process 4): for compounds of formula **(I)** wherein R^{14} is a group of formula **(IA)**, Z is $-N(R^{35})C(O)-$ and q is 1; reacting an acid of formula **(VII)**:



(VII)

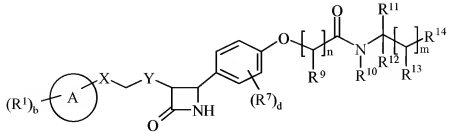
or an activated derivative thereof; with an amine of formula **(VIII)**:

(VIII)

Process 5): for compounds of formula **(I)** wherein R^{14} is a group of formula **(IA)** and R^{18} is a group of formula **(IB)**; reacting an acid of formula **(I)** wherein R^{14} is a group of formula **(IA)** and R^{18} is carboxy, or an activated derivative thereof, with an amine of formula **(IX)**

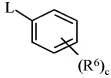
(IX)

Process 6): reacting a compound of formula **(X)**:



(X)

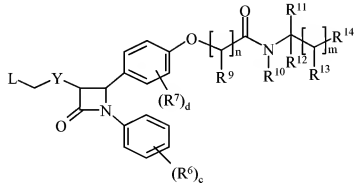
with a compound of formula **(XI)**:



(XI)

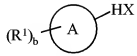
wherein L is a displaceable group;

Process 7): for compounds of formula **(I)** wherein X is selected from -O-, -NR^X- and -$S(O)_a$- wherein a is 0; reacting a compound of formula **(XII)**:



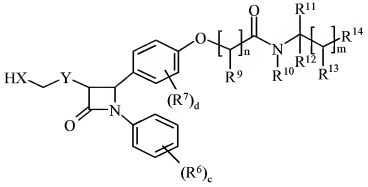
(XII)

wherein L is a displaceable group; with a compound of formula **(XIII)**:



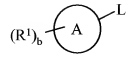
(XIII)

Process 8): for compounds of formula **(I)** wherein X is selected from -O-, -NR^X- and -$S(O)_a$- wherein a is 0; reacting a compound of formula **(XIV)**:



(XIV)

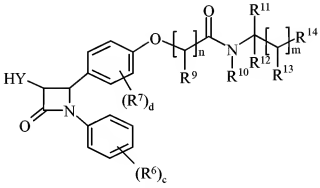
with a compound of formula **(XV)**:



(XV)

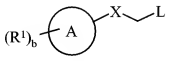
wherein L is a displaceable group;

Process 9): for compounds of formula **(I)** wherein Y is selected from -O-, -NR^z- and -$S(O)_a$- wherein a is 0; reacting a compound of formula **(XVI)**:



(XVI)

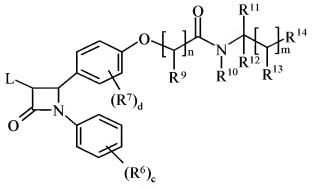
with a compound of formula **(XVII)**:



(XVII)

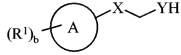
wherein L is a displaceable group;

Process 10): for compounds of formula **(I)** wherein Y is selected from -O-, -NR^z- and -$S(O)_a$- wherein a is 0; reacting a compound of formula **(XVIII)**:



(XVIII)

wherein L is a displaceable group; with a compound of formula **(XIX)**:



(XIX)

Process 11): for compounds of formula **(I)** wherein X or Y is $-S(O)_a-$ and a is 1 or 2; oxidizing a compound of formula **(I)** wherein X or Y is $-S(O)_a-$ and a is 0 (for compounds of formula **(I)** wherein and a is 1 or 2) or a is 1 (for compounds of formula **(I)** wherein and a is 2);

and thereafter if necessary or desirable:

i) removing any protecting groups;

ii) forming a pharmaceutically acceptable salt, or a prodrug; or

iii) separating two or more enantiomers.

19. (previously presented) A pharmaceutical composition which comprises a compound of formula **(I)**, or a pharmaceutically acceptable salt, or a prodrug thereof, as claimed in any one of claims 1-3, in association with a pharmaceutically-acceptable diluent or carrier.

20-25. (canceled)

26. (previously presented) A method for producing a cholesterol absorption inhibitory effect in a warm-blooded animal in need of such treatment which comprises administering to said animal an effective amount of a compound of formula **(I)**, or a pharmaceutically acceptable salt, or a prodrug thereof, as claimed in any one of claims 1-3.

27. (previously presented) A method of treating hyperlipidaemic conditions in a warm-blooded animal in need of such treatment which comprises administering to said animal an effective amount of a compound of formula **(I)**, or a pharmaceutically acceptable salt, or a prodrug thereof, as claimed in any one of claims 1-3.

28. (previously presented) A combination of a compound of formula **(I)**, or a pharmaceutically acceptable salt, or a prodrug thereof, as claimed in any one of claims 1-3, and an HMG Co-A reductase inhibitor, or a pharmaceutically acceptable salt, or a prodrug thereof.

29. (previously presented) A combination according to claim 28 wherein the HMG Co-A reductase inhibitors is selected from fluvastatin, lovastatin, pravastatin, simvastatin, atorvastatin, cerivastatin, bervastatin, dalvastatin, pitvastatin, mevastatin and rosuvastatin, or a pharmaceutically acceptable salt, or a prodrug thereof.

30. (previously presented) A pharmaceutical composition which comprises a combination according to claim 28, in association with a pharmaceutically acceptable diluent or carrier.

31-34. (canceled)

35. (previously presented) A method for producing a cholesterol absorption inhibitory effect in a warm-blooded animal in need of such treatment which comprises administering to said animal an effective amount of a combination according to claim 28.

36. (previously presented) A method of treating a hyperlipidaemic condition in a warm-blooded animal in need of such treatment which comprises administering to said animal an effective amount of a combination according to claim 28.

37. (previously presented) The method of claim 26 wherein the warm-blooded animal is a human.

38. (previously presented) The method of claim 27 wherein the warm-blooded animal is a human.

39. (previously presented) The method of claim 35 wherein the warm-blooded animal is a human.

40. (previously presented) The method of claim 36 wherein the warm-blooded animal is a human.

41. (previously presented) A method for producing a cholesterol absorption inhibitory effect in a warm-blooded animal in need of such treatment, which method comprises administering to said animal an effective amount of the pharmaceutical composition according to claim 30.

42. (previously presented) The method of claim 41 wherein the warm-blooded animal is a human.

43. (previously presented) A method of treating a hyperlipidaemic condition in a warm-blooded animal in need of such treatment, which method comprises administering to said animal an effective amount of the pharmaceutical composition according to claim 30.

44. (previously presented) The method of claim 43 wherein the warm-blooded animal is a human.

45. (new) A combination of a compound of formula **(I)**, or a pharmaceutically acceptable salt, or a prodrug thereof, as claimed in any one of claims 1-3, and a PPAR alpha and/or gamma agonist, or a pharmaceutically acceptable salt, or a prodrug thereof.

46. (new) A combination according to claim 45 wherein the PPAR alpha and/or gamma agonist is selected from WY-14643, clofibrate, fenofibrate, bezafibrate, GW 9578, troglitazone, pioglitazone, rosiglitazone, eglitazone, proglitazone, NN622/Ragaglitazar, BMS 298585, BRL-49634, KRP-297, JTT-501, SB 213068, GW 1929, GW 7845, GW 0207, L-796449, L-165041, and GW 2433, or a pharmaceutically acceptable salt, or a prodrug thereof.

47. (new) A combination according to claim 45 wherein the PPAR alpha and/or gamma agonist is fenofibrate, or a pharmaceutically acceptable salt, or a prodrug thereof.